

Message Text

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PAGE 01 STATE 205211

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ORIGIN NEA

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FM SECSTATE WASHDC

TO AMCONSUL BOMBAY

AMEMBASSY OTTAWA

AMEMBASSY NEW DELHI

C O N F I D E N T I A L STATE 205211

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E.O. 11652: GDS

TAGS: TECH, IN

SUBJECT: MEETING WITH CANADIAN EMBOFFS ON U.S.-ORIGIN
HEAVY WATER IN RAPP

REF: BOMBAY 2132

1. DEPUTY ASSISTANT SECRETARY KRATZER MET AUGUST 16 WITH
CANADIAN EMBASSY COUNSELOR NUTTING AND SCIENTIFIC
COUNSELOR MACDOWALL TO BRIEF THEM ON HIS RECENT TALKS IN
BOMBAY AND NEW DELHI AND TO DISCUSS PROPOSED CANADIAN
POLICY WITH RESPECT TO U.S.-ORIGIN HEAVY WATER AT RAPP.
AFTER SUMMARIZING THE COURSE OF HIS TALKS ON BUY-BACK OF
THE TARAPUR SPENT FUEL AND THE CIRUS HEAVY WATER QUESTION,
KRATZER TURNED TO WHAT HE TOLD THE CANADIANS WAS THE MOST
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PAGE 02 STATE 205211

DIFFICULT ASPECT OF HIS DISCUSSIONS WITH THE INDIANS, THE

RAPP HEAVY WATER PROBLEM. AFTER DESCRIBING HIS PRESENTATION TO SETHNA (PARA 14 REFTTEL), KRATZER EXPLAINED THAT SETHNA RESPONDED SHARPLY AND WITH A CLEAR INDICATION THAT INDIA WOULD CONSIDER ITSELF UNDER NO OBLIGATION TO RETAIN SAFEGUARDS ON RAPP I IF IT FELT PRESSURE FROM U.S. AND/OR CANADA ON THE ISSUE. KRATZER PROCEEDED TO REPLAY FOR THE CANADIANS' BENEFIT SETHNA'S SPECIFIC ARGUMENTS, INCLUDING SETHNA'S ASSERTIONS THAT THE ISSUE IS A BILATERAL ONE BETWEEN CANADA AND THE U.S. AND THAT INDIA ALREADY HAS A

COMMITMENT THAT "SUBSTITUTION" WOULD BE MADE.

2. AGAINST THIS DESCRIPTION OF HIS PRIVATE MEETING WITH SETHNA, KRATZER TOLD THE CANADIANS THAT ALTHOUGH IT WAS NOT FOR THE U.S. TO INDICATE WHAT WAS PROPER POLICY FOR CANADA, BOTH COUNTRIES DO HAVE A COMMON OBJECTIVE TO ENSURE SAFEGUARDS ARE MAINTAINED ON RAPP ON THE BEST POSSIBLE TERMS. IN APPROACHING THE QUESTION OF WHAT WE SHOULD OR SHOULD NOT DO TO ACHIEVE THIS OBJECTIVE, A FEW THINGS SEEMED CLEAR TO US. FIRST, THE U.S. AND CANADA SHOULD AVOID THE APPEARANCE OF ACTING IN CONCERT ON THE RAPP HEAVY WATER ISSUE. KRATZER SUGGESTED THAT IF THE CANADIANS, FOR EXAMPLE, INFORM THE INDIANS THAT THEY WANT THE RETURN OF THE HEAVY WATER, THEY SHOULD PROBABLY AVOID USING A FORMULATION INDICATING THEIR WILLINGNESS TO DROP THEIR REQUEST IF THE U.S. AND INDIANS ARE ABLE TO WORK OUT SATISFACTORY ARRANGEMENTS ON THE MAINTENANCE OF SAFEGUARDS. TO THE INDIANS THAT WOULD SMACK OF COLLUSION. SECOND, KRATZER TOLD THE CANADIANS THAT IF THEY ARE IN FACT RESIGNED TO NOT GETTING THE HEAVY WATER BACK, THEN THEY SHOULD NOT USE A DEMAND FOR ITS RETURN AS THE MEANS OF OBTAINING CONTINUANCE OF SAFEGUARDS. THIRD, KRATZER INDICATED TO THE CANADIAN EMBOFFS THAT IT MIGHT BE USEFUL TO CONSIDER INVOLVING THE IAEA DIRECTLY IN THE QUESTION OF THE RAPP HEAVY WATER. IN THIS REGARD, IT WAS SUGGESTED THAT, IN VIEW OF THE PROBABLE INDIAN MIND-SET AGAINST ANY SUGGESTIONS ORIGINATING WITH CANADA, THE CANADIANS SIMPLY INFORM THE IAEA OF THE IMMINENT DATE BY WHICH THE TRILATERAL CALLS FOR REMOVING HEAVY WATER FROM THE SCOPE OF AGREEMENT, BUT AVOID ANY DIRECT MENTION OF THE IMPOR-

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PAGE 03 STATE 205211

TANCE CANADA ATTACHES TO THE CONTINUANCE OF SAFEGUARDS.

3. THE CANADIAN EMBOFFS TOOK NOTES DURING THE MEETING AND EXPRESSED APPRECIATION FOR THE BRIEFING AND FOR HAVING THE INITIAL U.S. THINKING ON THE RAPP PROBLEM. CANADIAN COUNSELOR NUTTING INDICATED OTTAWA HAS REACHED THE CONCLUSION THAT IT WOULD NOT BE PRODUCTIVE AT THIS POINT TO NEGOTIATE WITH THE INDIANS FOR THE RETURN OF THE

RAPP HEAVY WATER. HE SAID HE THEREFORE FOUND THE POSSIBILITY OF INVOLVING THE IAEA IN THE QUESTION INTERESTING AND WORTH CONSIDERATION. KISSINGER

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